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ABSTRACT

This report examines the state of higher education in the United Kingdom and calls for increased funding of higher education to meet the demands of the 21st century. It focuses on the demand for graduates in the labor market, the changing student profile (in regard to age, gender, social class), the demand for student places, funding, salaries, conditions of employment, research funding, the employment of part-time staff, and quality. The report maintains that the higher education system must continue to expand to support demand; that there should be an additional 200,000 undergraduate places added by 2010; that recurrent spending per student should be returned to and maintained at 5,000 pounds per year; and that the primary call on increased funding should be the restoration of higher education professional salaries. It also calls for increased research funding; pay parity for part-time staff; and for quality assurance measures to be funded from outside of institutional general expenditures. Four appendixes provide data on applicants and admissions to higher education, salary scales, and funding levels (Contains 15 references.) (MDM)

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Association of
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ED 393 331

Higher education

preparing for the 21st century

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Higher education

preparing for the 21st century

This major document reviews higher education as it prepares for the challenges of the next century. We demonstrate the growth, diversity and excellence that are the achievement of university professional staff.

But this will not be a lasting achievement. Underfunding has already attacked quality. A great accomplishment sustained by extraordinary effort will be lost unless realistic funding is restored. If necessary, the government should explore new sources of funding rather than preside over degradation of that university system.

Money is needed if the learning experience is to have real meaning. It is needed if the full capacity for research is to be realised. Crucially, it is essential to release staff from the pay ghetto into which government policy has forced them. Only a pay review body with the funds available to act upon its findings can restore income and morale.

This is not special pleading. If the UK is to sustain a world class economy staffed by world class people, the UK will call first and foremost on its universities. It will call for innovation to provide wealth. It will call for skills in managing resources, protecting the environment and shaping all aspects of social provision. Most of all, the UK will call for an educated and civilised citizenry.

Higher education is not an option. It is the heart of our society as well as its brain.

David Triesman
general secretary

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Association of University Teachers, Spring 1993

1 Introduction

Over the last eight years, the UK higher education system has undergone a quiet revolution. The huge expansion in higher education provision and participation will have a major effect on the social and economic framework of the UK in the twenty-first century.

While there is no question that the gains of expansion have been great, they have been made at considerable cost. Staff and physical resources have been put under huge pressure by the serious underfunding of the system, so much so that the gains are threatened.

This is not to say that genuine economies of scale have not been possible. In general the quality of financial and administrative management in higher education institutions has improved. However, there is a clear danger that continuing to expand in the face of further decline in the unit of resource – the funding available for each student – will result in a system which cannot provide what we recognise today as high quality higher education. Calling a temporary halt to expansion is no solution.

Spending on higher education is not just a *cost* to the public purse. It is an *investment*. Even in the crudest terms it brings a return in the form of the higher tax contribution of graduates who are higher earners than the average. The *real* return – the benefit to communities, to industry and to the participating individuals themselves – is probably incalculable, but is certainly vast.

There are four main issues which will be addressed in the following sections.

1.1 The higher education system must be able to accommodate demand from an increasing population of 18 year olds but must also be capable of preserving the opportunities which the recent expansion has opened to adults and those whose backgrounds are in the social classes with historically lower participation rates. Demographic trends suggest that the system will have to expand considerably faster than the increase in the number of 18 year olds in order to meet demand.

1.2 Renewed expansion must be properly funded if the integrity of the entire system is not to be compromised. Primary among the calls on increased funding will be improved staffing levels, major increases in pay and the ending of casualisation, particularly the exploitation of part-time staff.

1.3 Research funding must be reorganised to ensure that no institutions are permanently cut off from access to it. Established centres of research excellence should obviously be properly supported, but further investment in the development of research capacity must be made.

1.4 The financial and opportunity cost of operating the burgeoning quality assurance machinery must be met by government, not top-sliced from existing funding, and that machinery should be rationalised.

2 Higher education and the labour market

2.1 The demand for graduates

The independent labour market research organisation, the Institute of Manpower Studies (which has since been renamed the Institute of Employment Studies), reported in 1989 that 'the supply of entrants or the private demand for higher education can be a managed phenomenon. The issue for policy makers in higher education, industry and government is how this supply can be managed, student demand stimulated and higher education organised and resourced to cope with much larger numbers.'

In political terms it would certainly be easier to justify expanding the higher education system if there were some simple objective measure of the needs of the economy upon which a decision could be based. As the Institute for Manpower Studies (IMS) put it, 'If the *economic objective* of higher education is the prime moving force for [expansion] then it will also have to be demonstrated that the labour market can absorb and maybe even needs (in a technical sense) a substantially higher output from the higher education system' *[How many graduates in the twenty-first century – the choice is yours, IMS report 177, p124]*. But if, as is argued below, the desirable level of graduate output and thus the desirable size and shape of the higher education system is not something which can be inferred from reading the labour market runes, then the decision cannot be escaped so easily.

The economic objective has indeed been the prime moving force in the expansion of higher education, so much so that a large amount of time and energy has been put into trying to work out what the demands of the labour market are or will be and in tailoring the higher education system to meet those needs. These attempts have not been successful, as reflected in the periodic media panics which occur over graduate unemployment. In the late 1980s the prevailing view was that there could not be too many graduates, indeed that there would not be enough to meet the nation's need. The recession of the early years of this decade took its toll on employment opportunities and so there was speculation that the labour market would be unable to absorb the current output of graduates. If the current economic upturn continues, it should not be long before another broadsheet feature article raises fears about shortages of good graduates.

2.2 Difficulties with projecting demand

Projecting labour market demand for graduate employees is difficult and unreliable. There are three problems with the short/medium term projections which are usually used to inform decision about the number of higher education places needed to satisfy the market. These problems are sufficiently serious to make such projections at best irrelevant and at worst misleading.

The first problem is the assumption that labour market demand for graduates – in other words employment opportunities – will have a simple effect on the demand for higher education places. Quite aside from the various other distortions which occur as market information makes its way from employers to potential higher education participants, the decision to invest in higher education is always four to five years old when the graduate appears. The supply of graduates, therefore, is necessarily always four to five years out of sync with the demand.

The second problem is the short planning horizon of UK industry. An authoritative study of employers' needs for graduate labour in the 1990s which was carried out for the government in 1988 *(An Overview of the Demand for Graduate [S]kills ER 1990)* confidently projected various elements of demand for graduates based on

survey results which also discovered that 87% of graduate recruiters have a planning horizon for recruitment of less than 18 months. Projections based on the opinions of employers – such as those in the IER report – are unreliable predictors of demand.

The third problem is treating demand for graduates as if it were an autonomous variable. It is well established by research that employers' decisions with respect to job content (in terms of skill and qualification levels etc) and job tenure (ie job security), are not made in response to *imperatives*. In the majority of cases decisions in these areas as made as the result of strategic choices, whether explicit or not. The availability of more than one option is particularly apparent with respect to graduate employment. Some of the more reliable findings of the PSI/IER survey already referred to concerned the extent to which there had been substitution of graduate for non-graduate labour and vice versa in particular employment areas. The survey found that about one in five jobs to which new graduates were recruited was considered by employers also to be suitable for A-level holders. It also found that in two thirds of the cases where substitution of graduate for non-graduate labour had recently occurred, there had been no change in the level of skill or knowledge required to do the job. The report concluded that the trend in the late 1980s towards increasing graduate recruitment was not necessarily a consequence of growth in the number of jobs for which a degree was essential. It is clearly arguable that the employment of graduates is a choice made by employers rather than a response to an economic imperative.

The belief that market conditions dictate an organisation's graduate employee requirement is the root of the danger of being misled by short or medium term projections of demand. If we see 'graduates' as a fixed labour requirement, much as a certain amount of concrete is necessary to build a particular building, then there will always be a danger that the number of graduates will either fail to meet or will outstrip the number of 'graduate jobs'. This is to take a very narrow view which amounts to assuming that there is a fixed ratio of graduate jobs to non-graduate jobs in any employment market.

Rather than looking at the problem as how to work out the number of graduate jobs which will be available in the future and the particular skills which will be required of graduates and then tailoring the higher education system to meeting this need, we should look at it the other way around. Once industry stops looking at graduates as a fixed requirement and starts to see them as a pool of potential employees, in which investment will pay particular dividends, the question 'how many do we need?' becomes unimportant. Looking at the issue in this way, the question becomes 'how many graduates is it possible to produce?'. *(See section 3 for a discussion of this question.)*

2.3 Longer-term trends

None of this is to say that there are not identifiable long term trends or tendencies in the economy which have clear implications for the structure of employment. Indeed, it would be impossible to discuss seriously what universities should do without some reference to the economy and the labour market. There are three broad labour market trends which have been commonly recognised and which have some bearing on the future of the higher education system. The first points to an increased need for professionals and technical specialists in most areas; the second towards the general upgrading of the level of education of management in the UK. The third and critical trend concerns the trajectory of advanced industries and services[1], precisely those to which universities may be expected to make the greatest contribution.

All nations tend to measure their economic performance with indices comparing their rates of growth, balance of trade etc with other nations. Yet 40% of all world trade is undertaken by multi-national corporations and 40% of their trade is with one another. In the USA the proportion of the equity in US manufacturing owned by non-Americans increased by over threefold between 1977 and 1990. Similar data apply to the UK (and other advanced societies).

The most rapid growth in multi-national companies has occurred where these companies employ the most advanced technologies and, contrary to some economic forecasts, this growth is accelerating. To benefit from technical development, nations must provide favourable conditions for it, including appropriate education and training.

If multi-nationals are to open or retain bases in the UK it will be because the UK can provide the people and innovations they require. If new firms calling for new kinds of workforce and innovations, whether in manufacturing or in information and services, are to survive and flourish they must have access to the sophisticated people which our higher education system alone is capable of producing. These firms may become or may already be part of multi-nationals themselves and their location will be influenced by the need for access to a domestic higher education system capable of supplying and continuing to support the workforce that they need. The universities, therefore, are the key to our access to the highly competitive world described above.

It must be emphasised, though, that these are merely trends – it is difficult to read off a need for a number of graduates from them. If, however, faced with the original Institute of Manpower Studies question, ie can the labour market absorb a substantially higher output from the higher education system, it is possible to point to some salient facts: only 4% of companies in the UK which employ more than 20 people recruit new graduates; 55% of the same group of companies employ no graduates at all (PSI/IER 1989); and in France and Germany 65% of industrial managers have degrees, whereas in the UK the figure is 25%.

It is surely not implausible, then, to argue that the UK both needs and can potentially accommodate many more graduates. This will be possible, and the longer term benefits of such an upgrading of the workforce will accrue, only if employers are prepared to look beyond the bottom line of this year's balance sheet and take a developmental approach to the employment of graduates. More, and many different types of employer than at present will have to be prepared to employ new graduates and will have to be prepared to invest in training for them. The government's role in this must be to persuade companies that investing in graduate recruitment is vital for the future success of the economy and is not something which can be left to the 4% of larger companies which do it.

2.4 The demand for places in higher education

If we are to put projections based on the specific needs of industry aside, there must be some other criteria on which decisions about the size of the higher education system can be based. For the Association of University Teachers, the most famous principle of the Robbins Committee provides the obvious answer: 'courses of higher education must be available for all those who are qualified by ability and attainment to pursue them and who wish to do so'.

In its submission to the DFE review of higher education, the Association of University Teachers said, 'There can be no moral basis for discriminating among social groups in granting access to the benefits of higher education. Nor can any country afford to leave the potential of so many of its citizens unfulfilled in its quest for national renewal.' The recent expansion has extended

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participation greatly, but the policy of consolidation together with demographic changes over the next 10 years puts those gains at risk. The next section of this report looks at these changes and attempts to quantify the need for higher education provision based on the alternative criteria – equity and the pool of ability – suggested here.

The trajectory of the economy is important. It will determine what the UK can spend on its infrastructure, health, pensioners, culture, environment, and quality of life. All of these arenas of social activity and those which constitute the private lives of citizens gain immeasurably from the creation of an educated population. Some features of life in a civilised society cannot be measured or projected. But every citizen knows them. Higher education is a doorway to every kind of opportunity to live a full and imaginative existence. The quality of our economy is the key to that door, but the quality of our society is also the key to our economy.

3 Changing student profile: expansion, demand and access

The changes in the profile of the student body since the most recent expansion of higher education began demonstrate that great gains have been made. The following section considers the evidence provided by general statistics on changes in gender and modes of attendance and by application and admission statistics published by the Universities Central Council for Admissions (UCCA) and the Polytechnics and Colleges Admissions Service (PCAS), the now defunct sector-specific higher education recruiting bodies. Looking at the changes in the context of demographic trends, the section concludes that if the gains of the last 10 years are to be maintained and extended, then expansion must continue. *Tables detailing the figures quoted in this section are in appendix A.*

3.1 Age and gender

Looking first at the statistics for applications and admissions from the admissions services, the most striking features are the disproportionately high increases in applications from mature people and women. Between 1987 and 1992 the number of applicants aged 21 and over increased by 215%. In the same period the number of applicants aged under 21 increased by just 66%, dropping down (as a percentage of all applications) to 76.6% of the total. Looking higher up the age range the increases are even more striking. Applicants aged 25 and over amounted to 12.5% of the total in 1992, an increase of 262% since 1987. None of this is very surprising. Over half of all students in the system are now known to be 'mature' – aged 21 or over.

More interesting are changes revealed by the gender breakdown of applications. Applications by men increased by 68% between 1987 and 1992 whereas applications from women increased

by almost 110%. Applications from women now outnumber those from men, although the number of women winning places is still not quite proportional to their representation in the population of the UK (about 51.1%).

Putting the age and gender figures together produces the most striking figures of all. Between 1987 and 1992, the number of applications from men under the age of 21 – ie the most traditional group – increased by 47.5%. In the same period applications from women aged 25 and over almost quadrupled. Looking at the outcomes, things are predictably a little different. Offers of places to men under the age of 21 increased by 53.5%, while the comparable figure for women of 25 and over was 270%.

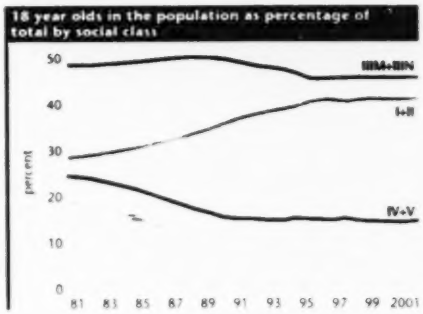
The disproportionate increase in women students was also apparent in part time enrolments (not included in the UCCA and PCAS figures). Between academic years 1980/1 and 1991/2, although the proportion of part timers in the student population stayed more or less the same, women students increased from 29.1% to 44.3% of this group. Given that 73% of home part time students are 21 or over, this means that there are in the region of 150,000 mature women part time students in the UK, an increase of 138% since 1980/1.

3.2 Social class

The figures on gender and age are encouraging, but the analysis of admission statistics by social class seems to demonstrate that since 1987 there has been little change in the relative chances of full time participation in higher education on this basis. In 1992 the social class background of 66.7% of those offered places in the 'old' universities and 55.2% of those offered places in the 'new' universities and colleges was in classes I or II, despite this group comprising only 25.4% of the population. 1987 figures are not available for the 'new' universities, but in the 'old' universities, the background of 69.1% of successful applicants was in class I or II while only 23.5% of the general population was from this group.

However, the current expansion has coincided more or less exactly with a period in which the social class composition of the 18 year old population has changed significantly *(see figure 1 below)*. As the Association of University Teachers predicted in 1983[3], the downturn in the overall 18 year old population which started in 1984 did not signal a decrease in the demand for higher education because the number of 18 year olds in classes I and II carried on increasing until 1989 and subsequently declined only slightly. Because the participation rate in higher education of these classes is much higher, overall demand increased.

Figure 1



I social class one
II social class two
IIIN social class three, non-manual
IIIM social class three, manual
IV social class four
V social class five

To measure changes in participation in higher education on a social class basis, the (relative and absolute) decline in the numbers of 18 year olds in social classes III to V must be

Table 1: Class participation indices

	UCCA 1985	1986	1987	1988	1989	1990	1991	1992	PCAS 1992	total 1992
I	22.4	21.4	21.2	21.9	23.0	24.7	26.7	33.9	18.2	52.1
II	16.6	16.7	16.9	17.2	18.7	21.1	23.2	25.1	20.2	45.3
IIIN	7.8	8.2	8.8	9.1	9.9	11.5	13.5	17.4	17.2	34.7
IIIM	2.6	2.6	2.7	2.7	2.9	3.3	3.9	5.5	6.9	12.5
IV	3.1	3.5	3.7	3.9	4.4	5.6	6.7	8.2	10.1	18.3
V	1.7	1.9	1.9	2.2	2.4	2.7	3.5	6.7	9.7	16.4
I+II	18.0	17.9	18.0	18.4	19.8	22.0	24.1	27.4	19.7	47.0
IIIN+IIIM	3.7	3.8	4.0	4.1	4.3	5.1	5.9	8.1	9.1	17.2
IV+V	2.8	3.1	3.3	3.4	3.9	4.9	6.0	7.9	10.1	17.9
All classes	7.7	7.9	8.2	8.6	9.4	10.9	12.4	15.2	13.2	28.3
indexed increases in the class participation rate for the 'old' universities										
I+II	100.0	99.3	99.9	102.3	110.0	122.3	133.9	152.2		
IIIN+IIIM	100.0	102.1	109.0	110.6	118.0	137.2	161.0	218.6		
IV+V	100.0	111.8	117.9	124.7	142.6	178.6	215.6	284.4		
All classes	100.0	102.4	106.6	110.9	121.7	140.7	160.9	196.3		

Sources: Universities Central Council for Admission and Polytechnics and Colleges Admissions Service annual report statistical supplements; Royal Society Working Paper, Demographic trends and future universities candidates 1983

factored into the calculation. Table 1 above shows the changes in a 'class participation index' based on the UCCA admissions figures. It is calculated by dividing the number of admissions to higher education for each social class by the average number of 18 year olds in the population in each class.† Unfortunately comparable PCAS figures are not available for the full period but the comparison for 1992 is interesting as it demonstrates higher participation from classes III to V in the 'new' university sector and higher participation of classes I and II in the 'old'.

† Although the class participation index (CPI) is similar to the age participation index (API), this is not a class-specific age participation index figure since the calculation takes account only of entrants aged 18-20 whereas the class participation index suggested here includes entrants of all ages. The age participation figure will be lower than the 'all classes' class participation index by the percentage of entrants aged 21 and over.

As can be seen, all social classes have gained from expansion in terms of increased participation, but it is IV and V who have gained most, although certainly starting from a lower base.

3.3 The demand for student places

In policy terms, the demographic trends are very significant. The Association of University Teachers' 1983 projection of demand for higher education places, based on the assumption that class participation rates would not change significantly, proved to be well-founded, although a more

accurate assumption would probably be that class participation rates do not *fall* significantly. It can be seen from table 1 that the participation rates of classes III to V are increasing significantly more quickly that those of classes I and II. If this were allowed to continue, parity of class participation could be possible within 15-20 years.

If all social classes *are* to have the same opportunity to participate in higher education – and one must surely assume that, early educational advantage or disadvantage aside, ability is evenly distributed – then there will have to be the places available to accommodate them. Assuming that the participation rate (as defined above) for social class I rises very modestly to 55%, then 175,000 extra full time undergraduate higher education places per year will be required by 2010 if potential students from the *other* social classes are to have the same opportunity for entry. On the assumption that the level of mature student entry to full time courses remains at about 25%, then the implied age participation index for 2010 is 41%. However, as the admission figures discussed above suggest *(see section 3.1)*, there is every reason to believe that demand for full time places among older potential entrants will not remain steady but will increase. In the face, then, of a need to increase participation from social classes III to V but also to accommodate the demand from mature entrants, many *more* than 175,000 places will need to be created.

3.4 Conclusions

The government's stated aim for higher education is to increase participation which of course is a laudable goal. However, the only target set by government is the increase to 33% of the age participation index. There are two problems with this. First, in order to be able to accommodate increasing demand from all social classes, thereby improving social mobility and making 'the classless society' a reality, the age participation index will have to increase by considerably more – to a minimum of 41%. Second, to ensure that this increase is not made at the expense of potential mature entrants, targets for increasing the participation of mature students should be set alongside the age participation figure.

Nothing less than an increase of 200,000 places per year by 2010 will be sufficient to enable equal participation in full time higher education on a social class basis and to accommodate an increased proportion of mature full time entrants. This is certainly an ambitious goal but a careful and considered expansion on this scale is perfectly feasible. Phased over the 15 years to 2010 it amounts to an annual increase of less than 4% per year in the number of places available – considerably less than the average annual increase over the last seven years.

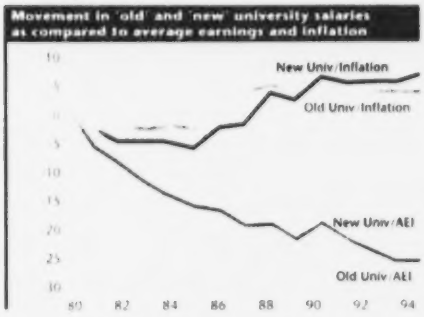
This expansion is not something which can wait for three years to meet the short term demands of the Treasury. Every year which passes without expansion sees higher education denied to those who could benefit from it and pushes equality of opportunity in education further away.

4 Funding, salaries and conditions of employment

4.1 Continuing decline

The graph below *(figure 2)* shows the movement in the value of the top point of the 'old' university lecturer B/academic-related grade 3/research grade II scale and the 'new' university lecturer grade against movements in average earnings and inflation since 1980. Leaving out 1986, which was anomalous given that there was no settlement agreed until December, there has been an uninterrupted fall in the value of the quoted salary level as compared to average earnings.

Figure 2



No private sector employer could afford to be so free with its response to the labour market as to fail totally to maintain the competitiveness of its salaries in the face not only of increases in average earnings but also major 'productivity' gains. Staff in higher education have had to cope with a huge increase in the student population with no corresponding increase in staffing levels[1]. The Chancellor's September 1993 and 1994 statements on public sector pay insisted that productivity increases were required before there could be pay increases, and yet the productivity increases in higher education have been met with only cuts in the real value of salaries. Even the supposed 'catch up' increases (which have occasionally happened, for example in the 'old' universities in 1987) have been quickly eroded. The 1987 settlement, put in place at the end of a 20-month period in which there had been no increase, merely brought salaries back to where they had been in relation to average earnings at the beginning of that 20-month period – ie about 22% behind average earnings calculated from 1980, as can be seen from the figures in appendix B.

4.2 Professional comparators

Although all staff in universities have had to bear the consequences of declining relative salaries, comparison of academic-related staff with outside groups is made difficult by the diverse nature of the professions they practise. The following section concentrates in detail on academic staff purely because this group is comparatively coherent in terms of entry qualifications etc. Many of the points made, however, are applicable to *all* university professional staff.

Looking at the investment in time and lost earnings necessary to gain the qualifications which are (de facto if not de jure) required to become an academic in higher education as against immediate and potential rewards in comparison with the training and earnings potential of other professionals, it is easy to demonstrate a substantial gap. Table 2 overleaf shows earnings in the 10 years post graduation for higher education lecturers and comparator professionals. After nine years the career earnings gap is substantial even in comparison with school teachers, particularly for lecturers in the 'new' universities and colleges.

Looking forward, it is difficult to see how there will not be real difficulties if salaries continue to fall behind those in other occupations. Higher education staff are committed to their subjects

Table 2: Earnings trajectories immediately post-first degree

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Typical age	*22*	*23*	*24*	*25*	*26*	*27*	*28*	*29*	*30*
Accountants	*12,250*	*16,100*	18,800	*22,000*	*25,200*	*27,000*	*30,000*	*32,000*	*35,000*
Solicitors (non-LLB)	5,500	5,500	16,000	19,535	24,820	25,500	27,000	31,000	33,000
Civil engineers	*13,450*	*14,880*	*16,310*	*17,740*	*19,170*	20,600			*30,000*
Teachers	5,500	12,999	13,780	14,608	15,481	16,410	17,395	18,439	20,170
Academic staff (old university)	5,500	5,500	5,500	14,756	15,566	16,191	17,007	17,813	18,486
Academic staff (new university)	5,500	5,500	5,500	12,444	13,140	13,827	14,523	15,216	15,900

Source: Salary surveys reported in IDS Management Pay Review Nos 155-160
Figures in italics are estimates made by the Association of University Teachers

and students, but morale and effectiveness will surely have their limits in the face not only of unattractive salaries but also of worsening conditions of service.

If the relative decline of salaries in higher education continues, it will be increasingly difficult to persuade potential higher education staff that they would not be better off elsewhere. If, for example, the changes of the last 15 years were to be repeated, the salaries of higher education professional staff would have increased in real terms by 3.3% compared to an increase in average earnings of 35% *(see appendix B)*. The top point of the lecturer scale (assuming increases in the 'old' and 'new' sectors are similar) would increase to around £26,000. Teachers, however, could expect to reach £27,230 without taking on any special allowances and without displaying any particular excellence. What is more, if the current salary structures remain in place, the teacher would reach this salary after nine years in the job. The lecturer would have to work for 13 years to reach the scale maximum (not including the extra years, a bare minimum of three, spent in postgraduate education).

Looking 15 years ahead outside education and assuming that it is normal for salaries to increase in line with average earnings, a district nurse could expect to earn £25,700; a police constable £28,700; and a London Underground train operator £31,515.

4.3 Conditions of service: non-financial rewards?
An argument which is often heard, however, is that salaries are not the whole picture. The job of the academic, this argument maintains, has compensations in terms of employment conditions which mitigate the effect of salary levels which compare badly with those of competitor professions.

However, academic autonomy and self management, the opportunity to have a genuinely personal relationship with each student adequate opportunities for personal research, good facilities, and a decent working environment – most of the things that bring people into university teaching in the first place – are threatened by increased student numbers and reduced funding. In many insti-tutions they have simply gone. In the 'new' universities and colleges, academic staff have for some years now been expected to work in an increasingly hierarchical and 'managed' environment, with relatively limited opportunities to undertake research and with employers who have moved

to increase the control exerted over every aspect of a lecturer's working life.

It is important to realise that the apparent non-financial benefits of teaching in universities and colleges are not luxuries or 'perks'. They are what makes UK higher education excellent. If creativity in research is what is required, then the way to get it is not to breathe down the necks of researchers and leave them no time to think. Likewise, if teaching and learning at a genuinely high and individualised level is required then one teacher cannot be expected to be able to deliver it to 50 students in one hour each week.

4.4 The root of the problem

There can be no question that the root of nearly all of the problems in higher education is the constantly declining level of the 'unit of resource' ie the amount of public funding provided for each student. This is why although higher education employers can be criticised for inappropriate attempts at introducing change in institutions, they cannot be held to account for the problems which they have attempted to solve. The unit of resource over just the last six years has shown a steady decline. Since 1979 it has fallen by over 40%. Announced levels of government spending to 1997/8 imply a further decline of almost 6% *(see the DFE table reproduced as appendix C)*.

It is intended that expansion resumes in 1997/8 and as we saw above there is every reason to expect demand to continue to increase, but maintaining the policy of annual cuts in the unit of resource in the face of expansion is simply not tenable. The change in perspective which we have seen in the official 'line' from government over the period of the current expansion is not that public funding for higher education is being cut but that efficiency is being increased. There is only so long that this sort of euphemism can make any sense (if it ever did). An efficiency gain of an infinite number of percentage points could be attained by stopping government funding altogether, but surely the government would not argue that this makes it a sensible thing to do. The question to government must be 'Where does it stop?', and 'How can it be reversed?'. How much is an adequate level of government funding in higher education? Should the unit of resource be £3,500? Should it be £2,000? Should it be barely sufficient to stop institutions going bankrupt?

4.5 The university of 2009?

If the changes which have been made since 1979 were repeated over the next 15 years, the university system would look very different. No doubt the government would be delighted if the expansion could be accomplished at this cost, but a higher education system put under this sort of strain for a second time would not be recognisable.

By 2009 the total number of students would have risen by 100% to 2.4 million. These students would be taught by 10% more staff, 80,000 in total. The average student:staff ratio would be 30:1. Spending on capital for each student would have decreased by 32% to £220 and recurrent spending for each student by 48% to just £2,100. Another 15 years of decline would see the UK spending less per student on higher education than on secondary education. Higher education institutions would have considerably worse staff:student ratios than primary schools.

These are frightening statistics, especially when there can no longer be any doubt about the effect that declining resource levels have already had on the quality of UK higher education. Some of the most telling evidence is to be found in the recently-published teaching assessment subject overview reports by the Higher Education Funding Council for England. Although staff are congratulated for responding flexibly and

imaginatively to the needs of a greatly increased number and range of students, there is also a clear message: the quality of higher education depends on a combination of good staff and good facilities. Attention is drawn to the ill effects of inadequate library provision in many institutions and to major reductions in facilities for practical work and small group tuition. The assessors were clear about the link between the quality of teaching and research activity (law, para 50[d]; mechanical engineering, para 36[g]), but were concerned that the resources available in many institutions were inadequate (mechanical engineering, para 37[c]). Most worrying of all was one conclusion of the assessors of chemistry that in 'addition to the familiar teaching, research and administrative responsibilities, increasing student numbers, a lack of administrative staff and the need for more remedial tuition of students with modest prior achievements are placing unacceptable demands on academic and technical staff' (chemistry, para 39[i])

4.6 Restoring funding

Putting the real level value of unit funding back to what it was in 1979 would obviously be expensive. Table 3 below shows the comparative costs, demonstrating that higher education recurrent and capital expenditure alone would have to be increased by £2.49bn, or 47.6% to match the level of spending when the current government came to power. This may seem like an unrealistic sum, but it should be remembered that the expansion which has just finished was possible only because of the level of expenditure when it started. The same exercise will not be possible again.

Although an immediate increase in expenditure by this amount would not be realistic in the current climate there must be an immediate commitment by the government to stop the cuts in the unit of resource. The 1993 AUT.NATFHE CONFEDERATION paper 'Bursting at the Seams' detailed the sorry state of much of the higher education system after eight years of underfunded expansion. Although the issue of capital spending was partially addressed in England in the November 1993 budget (there was little choice: many buildings would – literally – have started to fall down had spending not been increased), the increase of £147m over the planned totals is not enough to bring current building stock up to standard, let alone provide for renewed expansion. 'Bursting at the Seams' argued that some £3.8bn would be required simply to accommodate the expansion which occurred between 1990 and 1995. This is still required.

Similarly, even if genuine economies of scale have been possible and advances in technology

Table 3: Comparisons of unit funding of higher education in Great Britain 1979/1994

	1979	1994	1994 spending at 1979 unit costs
Student numbers (full-time equivalent)	574,000	1,122,000	
Total capital spending (Great Britain)	£279.3m	£400m	£546.4m
Total capital spending for each student	£487	£356	
Total recurrent spending	£3.5bn	£5.1bn	£6.83bn
Recurrent spending per student	£6,090	£4,537	

All financial figures are audited at current value calculated using the November 1994 gross domestic product deflator figures. Figures are taken from CSO and DFE annual reports. Great Britain figures are used where available, otherwise totals for England and Wales are inflated by 13% to calculate a rough estimate to include Scotland. All figures relate to higher education as a whole.

made which probably reduce the real cost of higher education provision, the current level of resource is simply inadequate for the requirements of a higher education system going into the twenty-first century. The unit of resource (recurrent spending) must be returned to a minimum level of £5,000 and maintained there in real terms. This implies an increase in recurrent expenditure over planned totals of some £660m in 1995/6 and £801m in 1996/7 and £944m in 1997/8. Certainly this is a substantial increase, but unless it is put in place, there is little chance of the UK higher education system surviving renewed expansion in a recognisable form.

A primary call on increased resources must be salaries and the bare minimum that is required is a return to parity with the average earnings index. Restoring parity with increases in average non-manual earnings since 1980 would increase the current top point on the 'old' university lecturer scale by 31%. An increase of a little under 30% would take the 'new' university scale to the same level. This would clearly be expensive but is a small price to pay for the restoration of the morale of existing staff and the competitiveness of the profession in salary terms.

5 Research funding

5.1 The allocation of research funding

Quite aside from the overall *level* of funding for universities and colleges there are difficulties with the *structuring* of that funding, particularly in the area of research. The rationale of the current research funding method(s) is selectivity, ie the direction of funding towards institutions where – supposedly – it will buy the best quality research. For this reason the major part of the research funding (94.3%) is allocated using methods which take as their primary variable the ratings provided by the research assessment exercise. Only £16.9m (2.2%) of funding is dedicated to the development of research potential in the 'new' higher education sector *(see table 4)*.

5.2 The structure of research income

The skewing of research funding towards the older universities is made particularly clear by looking at the ratio of funding council research funding to total council funding. The graph overleaf (figure 3) illustrates the situation. The higher education institutions to the left of institution number 59 are all 'old' universities. Those to the right of this point are, with one exception (Open), all 'new' universities and colleges. Excluding the smallest

Table 4: 1994/5 allocations of research funding

Funding category	% of total of each category going to new universities and colleges	Total funding available (GB) £m
QR (quality related funding)	5.04	726.0
CR (contract research related funding)	14.73	16.9
GR (generic research related funding)	8.25	10.0
DevR (developmental research related funding)	100.00	16.9
All research funding	7.40	769.8

Sources: Higher education funding councils for England, for Scotland, and for Wales

institutions makes the divide even clearer. Higher education institutions which receive more than £10m from their funding council collect 93% of funds in total. The research income of the best placed of the 'new' higher education institutions in this category is 10% of its total funding council income. That of the worst placed 'old' higher education institution is 16%, and this is an institution (Ulster) which exists as a result of a merger between an 'old' university and three public sector institutions, and where year by year it moves closer to the 'old' university pattern.

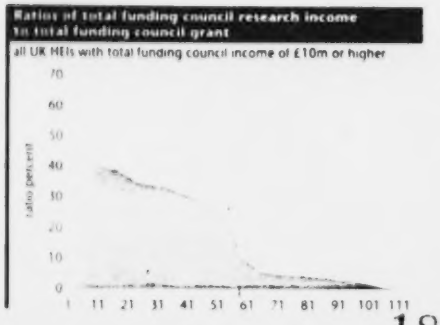
5.3 Breaking the mould

It is difficult to see how the 'new' universities and colleges will be able to close this gap. The current structure of funding council funding, makes it extremely difficult for higher education institutions without an existing record of research performance (due, it must be stressed, to the historic relative funding disadvantage of the 'new' university sector rather than any proven lack of talent among the staff) to find the resources to become established in research. It is a classic 'catch 22' situation: higher education institutions do not qualify for funding from far and away the largest pot without a research rating higher than one, but the establishment of a research record requires funding to cover both physical resources and staff time.

The virement of either funding council teaching funds or external income to the development of a research capability has been mooted as a solution to this problem. However, with expansion now halted but efficiency gains in teaching costs still being required, the possibility of 'spare' teaching funds being available seems extremely unlikely. More to the point, institutions are extremely unlikely to wish to tax their already impoverished teaching budgets.

Neither is private funding likely to be an option where there is no established reputation on which an higher education institution can base approaches to industry or the major charities. Looking at the contract/generic research funding allocation confirms that the 'new' universities and colleges are disadvantaged in the contract area: the distribution of this funding is based on higher education institutions' external research income. The 'new' institutions qualify for only 12.3% of it. Of course, there are pockets of research excellence in many 'new' institutions which have built up significant reputations and attract substantial private funding, often for applied research or consultancy. However, the vast majority of such private funding is attracted by the older universities with their established facilities.

Figure 3



5.4 Diversity or polarisation?

The stated aim of the funding councils is to encourage diversity, but the current research allocation methods promote only polarisation. The research assessment exercise is a historic snapshot of an institution's previous research *output* – not ability or potential – and thus it reinforces the general principle of 'to those that hath it shall be given.' With the next research assessment exercise due to take place in early 1996 and no evidence that the 'new' universities

and colleges are likely to perform significantly better than in 1992 (how could they without the funding to pay for staff time and equipment?), the current research funding picture shown in the graph is likely to become more and not less polarised.

The top institutions which are already at an advantage in terms of research funding will become increasingly advantaged. Decreases in teaching funding will have relatively little effect on them because teaching forms a relatively smaller proportion of their total activity and thus, in extremis and temporarily, funds could be vired from elsewhere. As their research improves with increased funding, the next research assessment exercise will see an increase in their research rating and thus in their research funding. Exactly the opposite is likely to happen to the 'new' universities. Certainly a select number of carefully protected departments may be able to maintain their ratings but as the research methodology tightens, concentrating more and more funding on higher and higher rated departments, merely standing still will not be good enough. Increased ratings will be needed both to keep up with the general increase, and simply to preserve the same funding. The formula thus drives universities further apart into two increasingly distinct camps – those with research funds and those without. The handful of much publicised departments in 'new' universities who do well against the odds cannot compensate for the research poverty of the vast majority.

5.5 Conclusions: what is to be done?

Reducing the existing level of research funding invested in the 'old' universities would make no sense – there is no reason to think that there would be a better return on research investment by distributing the sums currently available on a *wholly* different basis – but all parties must nonetheless acknowledge that there is a problem. We must stop pretending that somehow or other the 'new' universities will scrape together enough research funding to compete as universities on equal terms. History shows that when the Colleges of Advanced Technology (CATs) acquired university status they did not begin to acquire real university recognition until their research funding grew sufficiently for them to earn an equal research reputation. Recognition of the problem with new universities is the first step as it was for the ex-CATs.

There are three further practical steps which could be taken. First, the endless ratcheting upwards of rating to qualify for research funding should stop. Funds should be distributed proportionately to research ratings (including one) and those who might thus lose funds should be compensated.

Second, development research related funding (DevR) must be substantially raised and used as a vehicle to build up 'new' universities' research infrastructure – that is why it is currently limited to institutions not formerly funded by the Universities Funding Council. Again this must be without detriment to others' current research funding. If institutions are encouraged to collaborate rather than compete, the yield from this investment would be enhanced.

Third, much of the history of major research innovations suggests that small and unconventional research undertakings can nonetheless yield remarkable and unpredicted results. A new forward-looking element should be built into the research formula which would fund promising work in areas and departments without established track-records.

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6 Part-time staff

If the level of salaries is the most obvious reflection of the funding crisis in higher education, the increasing casualisation of staff tells a story not only of financial difficulties but of short-sighted management. While part-time working is not inherently a form of casualisation – in itself it is perfectly acceptable and a positive benefit to many staff who choose it – using it as a cheap alternative to full time employment is both exploitative and counter-productive.

6.1 The growth of the part-time sector

Part-time staff are the fastest-growing group of professional staff in the cash-strapped higher education sector. Between 1982-83 and 1992-93, the number of part-time academic staff employed in the 'old' universities in the UK increased from 2,371 to 4,522, an increase from 5.2% to 7.7% of the total staff. Two-thirds (61.6%) of part-time staff are employed in teaching and research, and one-third are employed in research only[4]. In the 'new' universities and colleges, almost 20% of all (full time equivalent) staff are part-timers. Of these staff, a little over half are hourly paid and the rest are on fractional or pro-rata contracts[5].

6.2 Contracts and conditions

A recent NATFHE survey of 'new' university part-time staff found that over 80% were not paid pro-rata to their full time colleagues and 91% were on fixed term contracts. Prospects for promotion were exceptionally low, and oppor-tunities for training or staff development almost non-existent. A similar survey undertaken by the Association of University Teachers[6] in the 'old' universities produced similar findings. Over one third of the part-time staff surveyed were not paid on a pro-rata basis, their opportunities for promotion, training and development were limited, and over 80% were on fixed term contracts.

6.3 Flexibility or abuse?

The justification for treating staff in such an appalling fashion – if it is not simply that the institution does not have the money to employ staff on a full time basis – is often couched in terms of the fashionable management idea of 'flexibility'. Employers, the argument goes, need to ensure that they are equipped to react quickly to market changes, and part of the ability to react involves the ability to vary the number of hours of labour purchased. Employing staff on a part-time basis supposedly makes this easier and hence it is the innocent and competitively justified search for flexibility which has led to the increase in the employment of part-time staff in all sectors of the economy.

It has been shown in numerous studies[7], however, that this argument is little more than a post-hoc justification. There is little or no evidence that the increase in the employment of part-time staff which has been observed across the labour market as a whole has been for any reason other than the opportunity it provides permanently to reduce the costs of employment. Part-timers do not have equal access to the statutory employment rights which cover full timers. Further, extensive research has shown that the situation in all sectors with significant levels of part-time employment is similar to that in higher education – employer-specific benefits and opportunities are not extended to part-timers on a pro-rata basis.

6.4 Recent changes

Legislative changes, mainly driven by the March 1994 House of Lords ruling on part-timers' employment rights are beginning to improve the conditions of employment of part-time staff and this is one of the few areas where British employment law is developing in a progressive rather than a retrogressive fashion. The impact of European legislation can only speed this process.

Universities should be at the forefront of employers who are aiming to improve consistently the working conditions and opportunities of all staff. However, the insecure status and second class conditions under which many higher education part-timers work mean that they are unlikely to be able to perform as effectively as their full time colleagues. The deliberate casualisation of the higher education workforce in this way is a false economy which cannot be allowed to continue. Recent quality assessment reports have lent weight to this argument, emphasising the need for well-trained staff who are **all** enabled to make a full contribution to the quality of education provided by their university.

6.5 The pro-rata principle

All part-time lecturers in higher education should be employed on fractional contracts and entitled to pro-rata terms for salary and conditions of employment. They should be included fully in staff induction, development and appraisal schemes. Such a move would certainly entail an increase in direct staff costs – pay, pension and national insurance contributions – as well as improvements to staff training and childcare provision. Given the numbers of staff involved and the evidence cited in surveys by both the Association of University Teachers and NATFHE on pay and benefits it is estimated that £30-50m annually in increased recurrent funding would be needed to convert these staff to pro-rata salaries, and pay for additional training and childcare facilities.

7 The cost of quality

In the past decade, there has been a great increase in the time and money spent on the various practices known as 'quality assurance' (QA) in higher education. These practices fall into three main areas: the research assessment exercise (RAE), which produces ratings which are used to determine grant allocations; assessment of the quality of teaching (TQA), producing ratings which contribute to the determination of funding levels; and quality audit, to promote public accountability for academic quality and standards at higher education institutions.

7.1 Research assessment exercise (RAE)

In the most recent research assessment exercise, in 1992, it was calculated that the exercise cost £13.5m[8]. Of this, the Universities Funding Council spent about £1m, and the higher education institutions (in the 'old' university sector) spent an estimated £12.5m. With the research assessment exercises recurring on an approximate four-year cycle, the annual cost is therefore about £4.5m. This is a conservative figure, however, because it does not take into consideration the cost of including the 'new' universities in the research assessment exercise.

7.2 Teaching quality assessment (TQA)

The higher education funding councils for England, Scotland and Wales began the first assessments of the quality of education in the universities in 1993. There are differences in the methodology of assessment: the English funding council has in the main only visited departments which have claimed to provide an excellent standard of teaching (although this policy has now changed and future assessments will involve visits to all institutions), whereas the Welsh and Scottish councils have visited all departments involved in the exercise.

The first round of assessments in the 1993-94 financial year cost the Higher Education Funding Council for England an estimated £3m[9]. During this time there were around 300 visits to departments[10] – an approximate rate of one visit for every two departments assessed.

The expenditure on quality assessment by the Higher Education Funding Council for Wales in 1993-94 was £308,000. Expenditure for the Scottish Higher Education Funding Council (SHEFC) was not available at the time of writing. With approximately twice the number of higher education institutions to visit than in Wales, SHEFC expenditure on TQA in 1993-94 is estimated at £0.6m.

These sums do not include the cost to universities of preparing their self-assessment, and preparing for a visit. A survey by the Committee of Vice-Chancellors and Principals (CVCP) in September 1993 indicated that the cost of preparation per subject ranged from £2,000 to £20,000, with an average cost of £8,500. The cost of preparing for a visit ranged from £300 to £4,000, with an average cost of £2,000 per visit[11].

Because of the small sample size, the use of estimates in some of the figures, and the occurrence of some abnormally high figures, the data should be treated with caution. For many universities, particularly in the 'old' sector, the cost of preparation for TQA is likely to include an element of 'start-up' expenditure, incurred by departments establishing quality assurance systems, which would not need to be repeated from year to year.

Nevertheless, the CVCP data can provide an indication of the cost to universities of participation in the assessment of the quality of the education they provide. With the lowest CVCP figure for assessment preparation per subject being £2,000, the assessment of eight subjects per year for the British higher education institutions would cost £1.8m.

Using the CVCP's average cost figure of £2,000 per visit, the cost to English universities of having departmental assessment visits is £0.7m. The cost to Welsh and Scottish institutions, where all departments are visited, is £0.3m. The total annual estimated cost of TQA to funding councils and institutions is therefore £2.8m.

7.3 Quality audit

Quality audit by the Higher Education Quality Council (HEQC) is paid for by higher education institutions, both directly through their contributions to running the HEQC and indirectly in staff time and other costs. The HEQC spends £1.6m annually on quality audit[12]. In addition, the cost to a higher education institution of an audit visit has been estimated at £40,771[13]. Quality audit is carried out on a five-year cycle, making an estimated annual cost to CVCP members of £0.8m.

7.4 Other expenditure

The main way of maintaining the standard of degrees is through external examining. Based on data prepared by the University of Durham[14], which indicated an external examining cost of £7.40 per first degree finalist, the estimated cost to British universities in 1992 of external examining at undergraduate level[15] was £0.7m. The estimated figure rises to around £1m when postgraduate examining is included.

7.5 Conclusion

'Quality assurance' is now an identifiable, substantial and increasing cost to British higher education. At a very conservative estimate, the current annual expenditure is £14.7m, of which £10.4m (70.7%) is paid for by higher education institutions either directly or in terms of staff time and opportunity costs *(see table 5)*. The cost will increase when all departments being reviewed in England are visited.

Table 5: Annual expenditure on quality assurance in British higher education, 1993-94

	Funding Councils £m	Universities £m
Research assessment exercise	0.3	4.2
Teaching quality assessment	4.0	2.8
Quality audit		*2.4
External examining		*1.0
Total	4.3	10.4

* Includes expenditure by the Higher Education Quality Council
* data for 1992

The Association of University Teachers obviously welcomes any serious attempts to improve the quality of teaching and research in UK higher education. Whether the current methods of quality assurance qualify as serious is beyond the scope of this document, although it could be commented that the government's concern to ensure that there is quality assurance machinery in place reflects a worry that the successive cuts in funding have had or will have an effect. The Association of University Teachers has made repeated criticisms of the implication of assessment efforts, to which the government may now be responding more positively, and has forecast difficulty in the recruitment of assessors from university departments already subject to work overload.

However, of more immediate concern is where the funding for this machinery comes from, ie top-slicing from recurrent funding, money which should be spent on teaching and research. If the government is serious about preserving and enhancing excellence in UK higher education, then it must stop insisting that nearly £15m a year is diverted away from teaching and research. Expenditure on quality audit must be funded as an addition to funding for teaching and research.

8 Summary

- The higher education system must continue to expand in order to maintain and extend the gains in terms of access and participation which have been made.

- There should be a planned increase, starting now, of 4% per year in the number of full time undergraduate higher education places available, aiming for an extra 200,000 places by 2010.

- The unit of recurrent resource should be returned to and maintained at a minimum level of £5,000 per student.

- The primary call on increased funding should be the restoration of higher education professional salaries to parity with average earnings increases since 1980.

- New elements should be added to funding to encourage the development of research capacity where there is no existing track record.

- Part-time staff should be employed according to the pro-rata principle, ie provided with the same benefits and opportunities as their full-time colleagues.

- Expenditure on quality assurance should not be top-sliced from general expenditure on higher education.

References

[1] The discussion of this trend is taken from section 2 of the Association of University Teachers' response to the DFE review of higher education, January 1995

[2] *The real demand for student places*, Association of University Teachers 1983

[3] *Bursting at the Seams*, Association of University Teachers 1993 Chapter 1

[4] *University Statistics*, volume one, 1991-92 and 1992-93, Universities' Statistical Record

[5] 1991 Polytechnics and Colleges Funding Council statistics, quoted in *Losing Out*, NATFHE 1993

[6] *Part-time, poor deal*, Association of University Teachers 1993

[7] Particularly convincing evidence is cited by Jill Rubery in her article "Employers and the Labour Market" in Gallie, D (Ed) *Employment in Britain* (Blackwell 1988) and by Elger and Marginson in Pollert, A (Ed) *Farewell to Flexibility* (Blackwell 1990)

[8] *A Report for the Universities Funding Council on the conduct of the 1992 Research Assessment Exercise*, Higher Education Funding Council for England (HEFCE) 1993

[9] *HEFCE News*, November 1993

[10] HEFCE, personal communication, 1 June 1994

[11] Committee of Vice-Chancellors and Principals (CVCP) report, VC/93/130

[12] *Higher Education Quality Council Update*, March 1994

[13] *Preparing for Quality Assessment and Audit*, CVCP 1993

[14] Payments to external examiners, University of Durham, 1993

[15] Universities' Statistical Record 1992-93, volume 1, 1993

APPENDIX A

Applications and acceptances to higher education via UCCA and PCAS 1987 to 1992
Source: Statistical supplements to UCCA and PCAS annual reports 1987 and 1992

Applicants

							1987
		UCCA Number	As % of total	PCAS Number	As % of total	All HE Number	As % of total
25 and over	M	5005	3.3	4541	3.5	9546	3.4
	F	4626	3.0	4004	3.1	8630	3.0
	T	9631	6.3	8545	6.6	18176	6.4
21 and over	M	10876	7.1	11677	9.0	22553	8.0
	F	8252	5.4	8326	6.4	16578	5.9
	T	19128	12.5	20003	15.3	39131	13.8
Under 21	M	72648	47.6	58888	45.2	131536	46.5
	F	60852	39.9	51438	39.5	112290	39.7
	T	133500	87.5	110326	84.7	243826	86.2
Total	M	83524	54.7	70565	54.1	154089	54.5
	F	69104	45.3	59764	45.9	128868	45.5
	T	152628	100.0	130329	100.0	282957	100.0

Admissions

							1987
		UCCA Number	As % of total	PCAS Number	As % of total	All HE Number	As % of total
25 and over	M	2196	2.8	1848	5.3	4044	3.6
	F	2238	2.9	1877	5.4	4115	3.6
	T	4434	5.7	3725	10.6	8159	7.2
21 and over	M	4742	6.0	4461	12.7	9203	8.1
	F	3719	4.7	3358	9.6	7077	6.2
	T	8461	10.8	7819	22.3	16280	14.4
Under 21	M	39169	50.0	15726	44.9	54895	48.4
	F	30783	39.3	11450	32.7	42233	37.2
	T	69952	89.2	27176	77.7	97128	85.6
Total	M	43911	56.0	20187	57.7	64098	56.5
	F	34502	44.0	14808	42.3	49310	43.5
	T	78413	100.0	34995	100.0	113408	100.0

1992

UCCA Number	As % of total	% increase	PCAS Number	As % of total	% increase	All ME Number	As % of total	% increase
11984	5.0	139.4	19751	6.9	334.9	31735	6.0	232.4
13525	5.6	192.4	20581	7.2	414.0	34106	6.5	295.2
25509	10.5	164.9	40332	14.1	372.0	65841	12.5	262.2
24071	9.9	121.3	40491	14.1	246.8	64562	12.2	186.3
23349	9.7	182.9	35593	12.4	327.5	58942	11.2	255.5
47420	19.6	147.9	76084	26.6	280.4	123504	23.4	215.6
93002	38.4	28.0	100960	35.2	71.4	193962	36.7	47.5
101534	42.0	66.9	109376	38.2	112.6	210910	39.9	87.8
194536	80.4	45.7	210336	73.4	90.6	404872	76.6	66.0
117073	48.4	40.2	141451	49.4	100.5	258524	48.9	67.8
124883	51.6	80.7	144969	50.6	142.6	269852	51.1	109.4
241956	100.0	58.5	286420	100.0	119.8	528376	100.0	86.7

1992

UCCA Number	As % of total	% increase	PCAS Number	As % of total	% increase	All ME Number	As % of total	% increase
4905	4.5	123.4	8624	8.5	366.7	13529	6.2	234.5
5933	5.0	165.1	9306	9.2	395.8	15239	7.0	270.3
10838	9.2	144.4	17930	17.8	381.3	28768	13.1	252.6
9570	8.1	101.8	17145	17.0	284.3	26715	12.2	190.3
9365	7.9	151.8	15060	14.9	348.5	24425	11.2	245.1
18935	16.0	123.8	32205	31.9	311.9	51140	23.4	214.1
50241	42.6	28.3	33996	33.7	116.2	84237	38.5	53.5
48859	41.4	58.7	34666	34.4	202.8	83525	38.2	97.8
99100	84.0	41.7	68662	68.1	152.7	167762	76.6	72.7
59811	50.7	36.2	51141	50.7	153.3	110952	50.7	73.1
58224	49.3	68.8	49726	49.3	235.8	107950	49.3	118.9
118035	100.0	50.5	100867	100.0	188.2	218902	100.0	93.0

APPENDIX B

Movement of top point of 'old' university lecturer B/academic related grade 3/research grade II and 'new' university senior lecturer scales 1980-94

	Actual salary		Value of top points of 1980 scales if increased in line with: Non-Manual Average Earnings				Inflation			
	old	new	old	% diff	new	% diff	old	% diff	new	% diff
1980	11575	11295	11575	0.0	11295	0.0	11575	0.0	11295	0.0
1981	12860	12141	13416	-4.1	13092	-7.3	12948	-0.7	12635	-3.9
1982	13505	12816	14665	-7.9	14311	-10.4	14067	-4.0	13726	-6.6
1983	14125	13443	16016	-11.8	15629	-14.0	14704	-3.9	14348	-6.3
1984	14925	14061	17330	-13.9	16911	-16.9	15440	-3.3	15066	-6.7
1985	15700	14763	18644	-15.8	18193	-18.9	16382	-4.2	15985	-7.6
1986	15700	15873	20309	-22.7	19818	-19.9	16941	-7.3	16531	-4.0
1987	18210	16668	22049	-17.4	21516	-22.5	17637	3.2	17211	-3.2
1988	19310	18549	24492	-21.2	23899	-22.4	18500	4.4	18053	2.7
1989	20469	19755*	26999	-24.2	26346	-25.0	19952	2.6	19470	1.5
1990	22311	22479	29664	-24.8	28946	-22.3	21836	2.2	21307	5.5
1991	23739	23604	32356	-26.6	31574	-25.2	23121	2.7	22561	4.6
1992	24736	24525	34568	-28.4	33732	-27.3	23974	3.2	23394	4.8
1993	25107	24894	36085	-30.4	35212	-29.3	24357	3.1	23767	4.7
1994	25735	25516	37131	-30.7	36232	-29.6	24925	3.2	23923	6.7

* an extra point was added to the top of the new university lecturer scale in 1989 this has not been added (for the purpose of comparison)

Inflation figures are derived from the RPI as published in the Employment Gazette

Average earnings figures are as published in the Employment Gazette

APPENDIX C

Higher Education: unit public funding index in real terms[1], 1989-90 to 1997-98

(The table below is taken from the Department for Education departmental report, Cm 2810 March 1995)

	1989-90 actual	1990-91 actual	1991-92 actual	1992-93 actual	1993-94 provisional	1994-95 projected	1995-96 projected	1996-97 projected	1997-98 projected
Universities (GB)[2]	100	92	88	84					
PCFC[2]	100	93	85	80					
HEFCE[3]	100	92	86	79	77	75	73	71	69

[1] Cash figures adjusted using November 1994 gross domestic product deflator.

[2] The indices for the Universities Funding Council (UFC) and the Polytechnics and Colleges Funding Council (PCFC) are derived from a division of total UFC or PCFC recurrent grant and tuition fee income for publicly funded home and EC students by the financial year average of relevant full-time equivalent student numbers. Figures for universities include fee income from full-time home and EC students, except for 1992-3 which includes only publicly finded fee income and is adjusted accordingly.

[3] The indices for the Higher Education Funding Council for England (HEFCE) are based on the latest full-time equivalent student numbers and projected England share of fees and grant up to 1992-3. Efficiency gains for the HEFCE sector are greater than those for the UFC and PCFC sectors individually: the PCFC institutions, which have lower unit costs when research funding is taken into account, have grown more rapidly and so reduced the unit costs of higher education as a whole.

APPENDIX D

Higher education funding in GB 1994/5 to 1997/8

		England				Scotland			
		1994 5	1995 6	1996 7	1997 8	1994 5	1995 6	1996 7	1997 8
HEFC Grant[1]	HEFCE		3251	3190	3161				
	TTA[2]		110	157	153				
	Total	3083	3361	3347	3314	453 7	490 6	483 4	482 7
Fee Income		1137	963	962	957	141 9	124 0	124 0	125 0
Capital	HEFCE		350	393	388				
	TTA		6	6	6				
	Total	322	356	399	394	55 0	51 0	53 0	53 0
Capital plus	HEFCE		3601	3583	3549				
Grant	TTA		116	163	159				
	Total	3405	3717	3746	3708	508 7	541 6	536 4	535 7
	% change		9 2	0 8	-1 0		6 5	-1 0	-0 1
Grant plus		4220	4324	4309	4271	595 6	614 6	607 4	607 7
Fees	% change		2 5	-0 3	-0 9		3 2	-1 2	0 0
Capital plus		4542	4680	4708	4665	650 6	665 6	660 4	660 7
Grant plus Fees	% change		3 0	0 6	-0 9		2 3	-0 8	0 0

All financial figures below stated in real terms as at November 1994

Capital plus Grant		3405	3602	3541	3427	508 7	524 8	507 0	495 1
Fees		1137	933	909	884	141 9	120 2	117 2	115 5
Grant plus Fees		4220	4190	4073	3947	595 6	595 5	574 1	561 6
Capital plus Grant plus Fees		4542	4535	4450	4311	650 6	645 0	624 2	610 6
FTE Students	HEFCE	878	900	901	902				
(1000s)	TTA	61	61	60	59				
	Total	939	961	961	961	119 8	118 2	118 0	118 0
	% change		2 3	0 0	0 0		-1 4	-0 2	0 0
Grant plus Fees		4494	4360	4238	4108	4972	5038	4865	4760
FTE student	% change		-3 1	-2 9	-3 2		1 3	-3 6	-2 2

[1] less HEFC running costs

[2] excludes £10m in 1994 5 and £11m in each of the subsequent two years covering expenditure on running costs, expenditure other than on ITT and the existing school-centred ITT courses currently funded directly by the DfE

Wales				GB			
1994/5	1995/6	1996/7	1997/8	1994/5	1995/6	1996/7	1997/8
198.5	216.2	218.2	219.4	3735	4068	4049	4016
77.0	64.9	64.6	64.4	1356	1152	1151	1146
23.4	24.2	28.7	27.3	400	431	481	474
221.9	240.4	246.9	246.7	4136	4499	4529	4490
	8.3	2.7	-0.1		8.8	0.7	-0.9
275.5	281.1	282.8	283.8	5091	5220	5199	5163
	2.0	0.6	0.4		2.5	-0.4	-0.7
298.9	305.3	311.5	311.1	5492	5651	5680	5637
	2.1	2.0	-0.1		2.9	0.5	-0.8
226.2	232.9	233.4	228.0	4140	4359	4281	4150
77.0	62.9	61.1	59.5	1356	1116	1088	1060
276.0	272.0	267.0	262.0	5091	5058	4914	4771
303.2	295.8	294.4	287.5	5496	5476	5369	5210
62.7	64.2	64.2	64.2	1122	1143	1143	1143
	2.3	0.0	0.0		1.9	0.0	0.0
4394	4243	4164	4086	4540	4424	4299	4174
	-3.6	-1.9	-1.9		-2.6	-2.9	-3.0

The Scottish Office has changed the basis on which it counts students. The figures in 1994 are not, then, directly comparable with those announced in 1993

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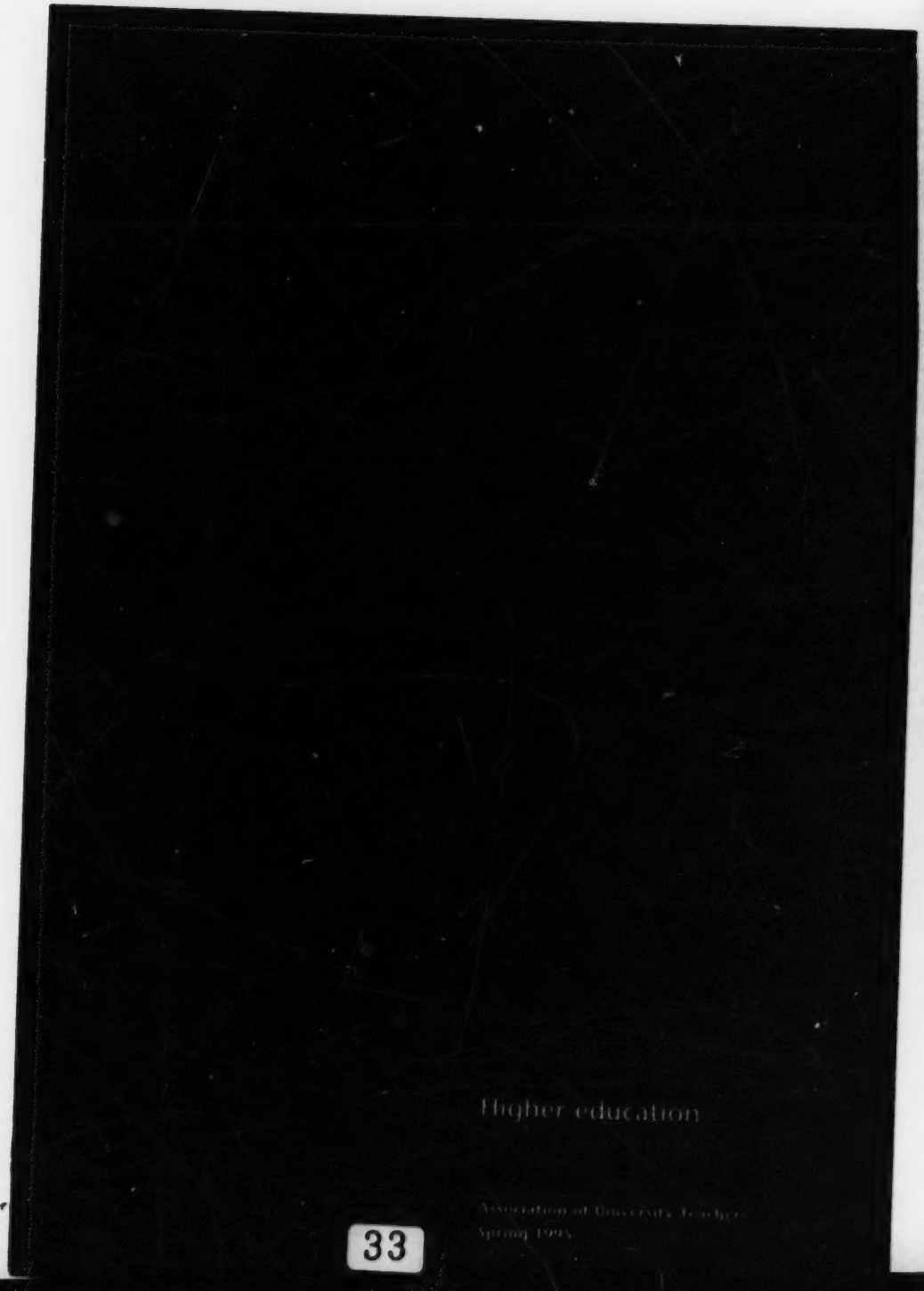

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